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Proposed programme budget for the biennium 2008-2009*

Part IV
International cooperation for development

Section 13
International Trade Centre UNCTAD/WTO

(Subprogramme 6 of programme 10 of the biennial programme plan and priorities for the period 2008-2009)**

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* A summary of the approved programme budget will subsequently be issued as *Official Records of the General Assembly, Sixty-second Session, Supplement No. 6* (A/62/6/Add.1).

** *Official Records of the General Assembly, Sixty-first Session, Supplement No. 6* (A/61/6/Rev.1).

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Overview

Full budget: SwF 68,680,900 (before recosting); SwF 69,752,200 (after recosting)

United Nations share: SwF 33,990,500 (before recosting); SwF 34,526,200 (after recosting)

13.1 The International Trade Centre UNCTAD/WTO (ITC), a joint technical cooperation agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO), is the focal point for all United Nations technical cooperation activities in trade promotion, as affirmed by the Economic and Social Council in its resolution 1819 (LV) of 9 August 1973. The Centre is responsible for the implementation of subprogramme 6, Operational aspects of trade promotion and export development, of programme 10, Trade and development, of the biennial programme plan for the period 2008-2009. The United Nations and WTO equally share the funding of the ITC regular budget. Revised budgetary arrangements with regard to ITC were endorsed by the General Assembly in section 1 of its resolution 59/276 of 23 December 2004.

13.2 Millennium Development Goals 1 and 8, namely poverty reduction and developing a global partnership for development, will remain the overarching objectives of the Centre's work during the period. In particular, ITC responds to goal 8 and target 12 of the Millennium Development Goals, which call for further development of an open, rule-based, predictable, non-discriminatory trading and financial system. ITC contributes by assisting small and medium-sized enterprises which are exporters to benefit from new trading opportunities by building their international competitiveness and by helping them to access new markets. In its efforts to address the Millennium Development Goals, the Centre will continue to explore innovative approaches to linking producers at an economic disadvantage to global value chains and international markets to ensure the sustainability of poverty reduction initiatives. Focus will be placed on work with small and medium-sized enterprises in sectors with possibilities for strong backward linkages with the informal sector. Priority will be given to the development of innovative forms of cooperation and alliances with new partners to address sustainable trade development, including the corporate sector, academia, non-governmental organizations and other development actors, in particular through enhanced partnerships in the areas of poverty reduction and gender. The subprogramme will continue to involve its country programme partners in monitoring progress against targets and indicators of the Millennium Development Goals and measuring results and the Centre's contribution to the Goals.

13.3 The subprogramme will focus its technical assistance on the least developed countries and small and vulnerable economies, with half of the Centre's extrabudgetary funds being planned to be spent for the benefit of least developed countries by 2009. ITC will pay special attention to the specific needs of landlocked and small island States as well as those of post-conflict countries. The needs, priorities and absorption capacities of those categories of countries are very different, and the Centre's technical assistance will be tailored to their specific requirements. Particular emphasis will be put on regional integration and regional trade opportunities. The Centre will maintain regular consultations with the regional economic commissions and relevant country groupings in this regard. In terms of geographic focus, Africa will continue to be the recipient of the largest share of technical assistance, with about 40 per cent of the Centre's total extrabudgetary resources expected to be devoted to that region in 2008-2009.

13.4 The Centre focuses its technical cooperation activities on creating and strengthening the capacity of small and medium-sized enterprises in developing countries and countries with economies in transition to compete in the international marketplace. Capacity-building support is provided through information dissemination, training and advisory services. The principal clients of such technical assistance are policymakers, public and private sector trade support institutions and

exporting enterprises. Since ITC recognizes that it will not be able to reach the vast community of small and medium-sized enterprises in countries, it will focus on building the capacities of trade support institutions to become efficient multipliers of trade-related technical assistance. This will also ensure the sustainability of trade support institutions to provide valued services to their clients.

13.5 The importance of trade as a major contributor to development and the corresponding need for trade-related capacity-building activities has been fully recognized in outcomes of different United Nations summits and other international forums. The Monterrey Consensus of the International Conference on Financing for Development (Monterrey, Mexico, March 2002) affirmed that Member States were committed to promoting trade as an engine for development and underlined that special consideration should be given to least developed countries and African development, including through the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries, the Joint Integrated Technical Assistance Programme, the WTO Doha Development Agenda Global Trust Fund and the activities of ITC. The Group of Eight in July 2005 noted that an ambitious and balanced conclusion to the Doha Round was the best way to make trade work for Africa and increase African countries' integration into the global economy. ITC will continue to make a contribution to the follow-up of the 2005 World Summit Outcome, the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, the Monterrey Consensus, the Johannesburg Declaration on Sustainable Development and the Declaration of Principles and the Plan of Action of the Tunis World Summit on the Information Society.

13.6 The Declaration of the Fourth Ministerial Conference of WTO (Doha, November 2001) reaffirmed its support for the valuable work of ITC and called for its enhancement. The statement adopted at the Sixth Ministerial Conference of WTO (Hong Kong, China, December 2005) concluded with a reaffirmation of the Centre's role and encouraged all members to cooperate with ITC, which complements the work of WTO by providing a platform for business to interact with trade negotiators and practical advice for small and medium-sized enterprises to benefit from the multilateral trading system (para. 53). Consequently, ITC will focus its activities on the implementation of the Doha Development Agenda and the WTO Hong Kong Ministerial Declaration by working towards consolidating and expanding partnerships between the public and business sectors, promoting business advocacy in developing countries and countries with economies in transition and assisting Governments in mainstreaming trade into national development programmes.

13.7 During the period 2000-2006, ITC increased its technical assistance by 118 per cent (from $11.6 million to $25.3 million). In contrast, regular budget resources increased by 17.3 per cent (from SwF 29.5 million to SwF 34.6 million) over the same period. Current requests from ITC clients amount to three times more than the Centre total technical assistance implemented in 2006. At the same time, the volume of trade-related technical assistance has grown by 50 per cent between 2001 and 2004 This amount is expected to increase substantially in the future with the Aid for Trade target, doubling by 2010, that is, additional resources of $2 billion in 2007 increasing to $5 billion to $6 billion a year by 2010. ITC is expected to play a central role in delivering aid for trade and will therefore expect to access a substantial share of the increased extrabudgetary resources available under aid for trade. With the central role played by ITC in aid for trade and its implementation at the country level having been recognized at several forums in the recent past, it is expected that the demand for ITC assistance in the near future will remain at a substantially high level. ITC will continue to follow a focused strategy for managing its anticipated growth. At the core of this strategy will be the twin considerations of meeting the challenge of increased volume of delivery while at the same time sustaining the quality, relevance, effectiveness and sustainability of interventions. Key contributions will be confirmed and new ones identified,

taking into account the evolving global trading system as well as the paramount requirement that trade serve the cause of development.

13.8 While ITC will need to ready itself for this increased growth, this expansion will be achieved while respecting the Centre's overriding responsibility to maintain good governance and oversight. This entails following a carefully managed strategy based on five key elements, namely: (a) continuous assessment of the relevance of ITC services against evolving client demand with a focus on impact and results; (b) greater emphasis on building technical competencies within the organization, together with maximization of in-house synergy; (c) greater country/regional focus in the Centre's technical assistance; (d) re-engineering the Centre's business processes, including a more efficient utilization of information technology-enabled technical assistance; and (e) the strengthening of technical partnerships and strategic alliances.

13.9 The limited size of ITC and the increasing scale and diversity of demand for its trade support services have led the Centre to deliver its technical assistance in a variety of ways to strike the best balance between outreach and impact. These include:

(a) The development of business improvement tools and services to meet the collective needs of small and medium-sized enterprises using the ITC global products approach. This approach will be further refined, adapted to specific needs and client groups and enriched to meet evolving needs. Capacity-building and sustainability will be achieved through national-level partnerships for the customization and adaptation of the global products to suit local requirements. Specialized trade support institutions as well as product and industry associations will be involved in both designing and delivering these tools;

(b) ITC will continued to synergize with other agencies to offer medium-intensity field-level support under multi-purpose, multi-country projects or programmatic frameworks, such as the Enhanced Integrated Framework and Joint Integrated Technical Assistance Programme;

(c) The design and delivery of high-intensity country- and region-specific projects, tailored to the requirements of the country or region. These projects will increasingly offer bundled solutions of tools and services within an ITC integrated country programme framework.

13.10 In delivering its programmes, the Centre's biggest challenge will be to ensure that client countries benefit from an ideal mix of tools, services and programmes, tailored to their specific needs and circumstances and at the lowest possible cost, and to assure the sustainability of its actions in the long term. National capacity-building will continue to play a key role in this regard. Therefore, to ensure maximum impact of its activities, ITC will focus on intensifying its work with existing partner institutions in developing countries and countries with economies in transition. A key factor in the strategy of ITC will be its continuous refinement of tools and methodologies to ensure that the technical assistance it provides is constantly aligned with the rapid evolving needs of the world trade market. This approach, which has been followed successfully over the recent years, ensures that the Centre's activities remain relevant.

13.11 The ITC programme of work is reviewed annually by the Joint Advisory Group of the International Trade Centre, the main intergovernmental policy forum of the Centre, which is open to members of UNCTAD and WTO. The WTO General Council and the UNCTAD Trade and Development Board review the report and recommendations of the Joint Advisory Group annually. In addition, every year an informal session of the Group reviews specific ITC activities.

13.12 In line with the administrative arrangements between the United Nations and WTO, the Secretary-General submitted to the General Assembly in the second quarter of 2007 a simplified fascicle with an indication of the level of resources that ITC planned to request for the biennium 2008-2009 (A/62/6 (Sect. 13)). A similar report was submitted to WTO. In its first report on the proposed programme budget for the biennium 2008-2009 (A/62/7), the Advisory Committee on

Administrative and Budgetary Questions recommended that the General Assembly take note of the resources proposed in the preliminary budget estimates.

13.13 The amount estimated for the proposed programme budget of ITC for the biennium 2008-2009 contained in the present document represents an increase of SwF 311,500, or 0.4 per cent. The main substantive changes as compared with the 2006-2007 approved budget concern the proposed creation of four new Professional posts (1 P-4 and 3 P-2) and the redeployment and reclassification of one P-2 post to the P-4 level. The net increase of SwF 311,500 is the result of an increase of SwF 152,200, which represents the delayed impact of the three Professional posts (1 P-5, 1 P-4 and 1 P-3) approved for the biennium 2006-2007 and a net increase of SwF 159,300 in order to provide for four new Professional posts (1 P-4 and 3 P-2), the redeployment and reclassification of one P-2 post to the P-4 level and the abolition of three General Service posts. The proposals relate to:

(a) The establishment of one P-4 post (Senior Results-based Management and Evaluation Officer) in the Office of the Executive Director to design and implement processes to monitor and report results and performance at the organizational level at regular intervals and support ITC managers and staff as they gain practical experience in defining and tracking performance indicators for programmes and projects;

(b) The creation of one P-2 post (Information Systems Developer) in the Division of Product and Market Development to ensure that the trade information section has the resources and skills to develop and maintain new web-based information management tools and one P-2 post (Trade Information Officer) in the Division of Product and Market Development to support the Centre's trade information research programme and content development and to reinforce the section's capacity to maintain an enquiry reply service and provide responses to trade-related enquiries from trade support institutions in developing countries;

(c) The establishment of one P-2 post (Human Resources Officer) in the Division of Programme Support to strengthen human resources capacity by responding to the need to review and develop strategic human resources management approaches and provide coaching to staff and managers for improved productivity and performance within the results-based management context;

(d) The redeployment and reclassification of one P-2 post to the P-4 level of a Web Editor from the Division of Programme Support to the Office of the Executive Director to strengthen the Centre's communications function at the strategic level;

(e) The abolition of two General Service posts in the Division of Product and Market Development and one General Service post in the Division of Programme Support which are no longer required, as the functions of those posts have changed due to the increased use of digital information sources.

13.14 The overall requirements for 2008-2009 for non-post resources would be SwF 16,102,700 (before recosting) with changes in the distribution of non-post resources taking into account evolving needs. The increase in requirements for other staff costs (SwF 35,600), training (SwF 50,000) and furniture and equipment (SwF 155,000) is offset by a decrease in requirements for general operating expenses (SwF 189,400) and for supplies and materials (SwF 51,200).

13.15 Table 13.2 shows the requirements for the biennium 2008-2009 expressed in Swiss francs after recosting. The contribution of each parent organization for the biennium 2008-2009 is estimated to be SwF 34,526,200, or $28,771,800 at the exchange rate of SwF 1.20 to US$ 1.

13.16 Miscellaneous income for the biennium 2008-2009 is currently projected at SwF 700,000, an increase of SwF 230,000, in comparison to the estimate of SwF 470,000 for the biennium 2006-2007.

13.17 It is estimated that for the biennium 2008-2009, extrabudgetary resources amounting to approximately $80,000,000 (equivalent to SwF 96,000,000 at the exchange rate of SwF 1.20 to

US$ 1) will be available. This represents an increase of approximately 19 per cent per annum of the total extrabudgetary resources available to ITC over the biennium 2006-2007. Extrabudgetary resources complement provisions under the regular budget and enable the Centre to implement its technical cooperation projects using the tools and knowledge base developed with regular budget resources.

13.18 The issue of publications as part of the programme of work has been reviewed. It is anticipated that recurrent and non-recurrent publications will be issued as shown in table 13.1 and as described below under outputs.

Table 13.1 **Summary of publications (regular budget and extrabudgetary)**

Publications	*2004-2005 actual*	*2006-2007 estimate*	*2008-2009 estimate*
Recurrent	142	161	198
Non-recurrent	169	70	52
Total	**311**	**231**	**250**

13.19 In line with General Assembly resolution 58/269, ITC will undertake a series of self-evaluations of its projects, programmes and thematic areas of work as well as the mandatory self-assessment of subprogramme performance, which will include collating, analysing and updating performance information as well as drafting and assessing accomplishment accounts. Planned discretionary thematic self-evaluations include: (a) an evaluation of the Centre's networks; (b) an evaluation of the Centre's work in the area of export strategy and trade mainstreaming; (c) evaluation of ITC activities in the field of service exports; and (d) an annual external ITC client survey. These will be complemented by evaluations of ITC projects and programmes, such as country projects funded by the European Commission in Asia, the African, Caribbean and Pacific Countries and the European Union commodities project, the project in Brazil funded by the United Nations Development Programme (UNDP) and the Government of Brazil, and selected country projects funded under the Enhanced Integrated Framework. A total of $1,190,000, consisting of $750,000 in post resources and $440,000 in non-post resources (equivalent to SwF 1,428,000 at the exchange rate of SwF 1.20 to US$ 1) in regular budget and extrabudgetary resources, will be utilized for this purpose.

Table 13.2 **Estimated resource requirements**

(Thousands of Swiss francs)

Category	*2006-2007 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2008-2009 estimate*	*2008 estimate*	*2009 preliminary estimate*
		Amount	*Percentage*					
Post	52 266.7	311.5	0.6	52 578.2	984.6	53 562.8	26 647.4	26 915.4
Non-post	16 102.7	—	—	16 102.7	86.7	16 189.4	8 094.7	8 094.7
Total	**68 369.4**	**311.5**	**0.4**	**68 680.9**	**1 071.3**	**69 752.2**	**34 742.1**	**35 010.1**
Less income	470.0	230.0	48.9	700.0	—	700.0	350.0	350.0
Net amount to be shared by each parent organization	67 899.4	81.5	—	67 980.9	1 071.3	69 052.2	34 392.1	34 660.1
Contribution shared by each parent organization	33 949.7	40.75	—	33 990.5	535.7	34 526.2	17 196.1	17 330.1

Table 13.3 **Post requirements**

Category	Established regular budget posts		Temporary posts				Total	
			Regular budget		Extrabudgetary[a]			
	2006-2007	2008-2009	2006-2007	2008-2009	2006-2007	2008-2009	2006-2007	2008-2009
Professional and above								
ASG	1	1	—	—	—	—	1	1
D-2	1	1	—	—	—	—	1	1
D-1	4	4	—	—	1	1	5	5
P-5	18	18	—	—	1	1	19	19
P-4/3	46	48	—	—	7	7	53	55
P-2/1	10	12	—	—	—	—	10	12
Subtotal	**80**	**84**	**—**	**—**	**9**	**9**	**89**	**93**
General Service	76	73	—	—	11	11	87	84
Total	**156**	**157**	**—**	**—**	**20**	**20**	**176**	**177**

[a] Only posts funded from programme support costs of extrabudgetary funds are indicated.

Programme of work

13.20 At its forty-seventh session, the Committee for Programme and Coordination approved the biennial programme plan for 2008-2009 (A/62/16). The Centre's overarching objective is to assist developing countries and countries with economies in transition to enhance their international competitiveness and increase exports with a corresponding impact on employment and poverty reduction. In pursuing that objective, the subprogramme will build on results achieved and lessons learned in the biennium 2006-2007.

13.21 The Centre's revised mission statement establishes that ITC enables small business export success in developing countries by providing, with partners, trade development solutions to the private sector, trade support institutions and policymakers. With a view to achieving its mission, ITC will focus its activities in three main areas:

(a) Supporting policymakers in integrating the business sector into the global economy;

(b) Developing the capacity of trade service institutions to support businesses;

(c) Strengthening the international competitiveness of enterprises.

In doing so, ITC will apply an integrated approach that focuses on building partnerships among the private sector, government institutions and civil society organizations in the delivery of its services. ITC will continue to work with Governments to ensure that trade is fully mainstreamed into national development plans and policies.

13.22 Technical assistance is delivered at the national, subregional, regional and interregional levels. In order to achieve its objectives, ITC will pursue the following specific areas of work: (a) provide support for priority setting by trade strategists, managers of trade support institutions and small and medium-sized enterprises by providing assistance in market analysis and providing market information, leading to a more informed decision-making process; (b) provide assistance in creating a more supportive environment to boost international trade activities by businesses, in particular small and medium-sized enterprises, through its work with network partners and trade support institutions; (c) facilitate the development of effective trade information services of

national and sectoral trade support institutions and their networks so that they can meet the trade information needs of their respective business communities, leading to the development of a "trade intelligence" system; (d) build capacities of regional and national institutions to offer management, exporting and e-trade training to small and medium-sized enterprises and business start-ups, assess the resource needs of small and medium-sized enterprises and broker solutions; (e) provide responses to the most urgent supply-side and market development needs at the product/sector level by providing assistance to sector associations, trade support institutions and directly to exporting small and medium-sized enterprises; (f) engage the business community and build capacity to deliver export promotion programmes and training within a wide range of trade support institutions for the benefit of small and medium-sized enterprises in the services sector, including their participation in the General Agreement on Trade in Services; and (g) enhance enterprise competitiveness through more effective and efficient supply chain management, including the development and implementation of market-oriented sector diagnostics and strategies based on a value chain approach. Each of those areas of work will fully integrate cross-cutting concerns of poverty reduction, gender mainstreaming, South-South cooperation, environmental sustainability and bridging the "e use-divide".

13.23 In order to support the above activities, ITC will continue to rationalize its existing regular budget resources in support of applied research, tools, product and programme development. Regular budget resources are utilized mainly for the gathering and analysis of market information and commercial opportunities and the development of generic tools for subsequent adaptation and application by individual enterprises or by partner organizations in developing countries and countries with economies in transition. This applied research focus ensures that ITC technical cooperation is of a high standard and that the lead time for and costs of input delivery at the field level are effectively reduced. Increasing use is being made of information and communications technology as a means of supporting research and delivering technical assistance inputs. Demand for the Centre's technical assistance continues to outpace available resources, thereby leading the Centre to find innovative ways to deliver its assistance.

13.24 ITC carries out its technical cooperation activities in coordination with its parent bodies, UNCTAD and WTO. Additional partnerships and key strategic alliances will continue to be sought to complement the Centre's fields of expertise and to allow for increased delivery in sectors and regions where demand has surpassed the ability of ITC to deliver. This will include new alliances with the private sector, an increased number and new models of partnerships with national and regional partners in developing countries, and a greater degree of coherence and stronger collaboration with United Nations agencies involved in trade-related capacity-building. Collaboration with the Centre's co-sponsors, UNCTAD and WTO, will be increased including through a new phase of assistance to Africa capacity-building in trade negotiations involving the three agencies as a follow-up to the Joint Integrated Technical Assistance Programme. ITC will work closely with other agencies under the Enhanced Integrated Framework and Aid for Trade initiatives and bring to bear its core expertise in export promotion. Partnerships with existing partners and trade-related capacity-building providers such as the Commonwealth Secretariat, the International Organization for Standardization, the World Bank/Foreign Investment Advisory Service, the Food and Agriculture Organization of the United Nations, UNDP, the United Nations Industrial Development Organization, the World Intellectual Property Organization, the regional economic commissions and the regional development banks will be strengthened. Direct collaboration with bilateral technical cooperation agencies, primarily from the countries that are members of the Organization for Economic Cooperation and Development, in the design and implementation of field-level activities will be reinforced. In doing so, ITC will pursue a more strategic approach in its relations with donors, which will include the presentation of a programme-based approach through its consolidated programme document for 2008-2009 and an appeal to

donors for multi-year commitments, a greater share of unearmarked funding and a harmonization and streamlining of the Centre's reporting requirements.

13.25 The new senior management team of ITC has embarked on a path of change with a view to building on the solid reputation of the organization and transforming it into a centre of excellence in export trade capacity-building. This change management process, which has been driven largely by the findings of the comprehensive external evaluation of ITC and the recommendations made by the Office of Internal Oversight Services in its report on ITC (A/59/229), was validated by the Joint Advisory Group in April 2007. The main objective is to increase overall impact, implement results-based management, and better communicate ITC best practice to its clients. The change process has far-reaching implications affecting internal management, accountability, governance, the role of monitoring and evaluation as well as the Centre's relations with donors. In particular, emphasis will be put on clarifying the intervention logic of ITC, with the definition of performance indicators at the project/programme level as well as at the corporate level, and the systematic use of the logical framework approach. This implies that ITC will need to reinforce its corporate functions and in particular its capacity in the fields of communications, monitoring and evaluation.

13.26 The organizational structure of the Centre, headed by an Executive Director, comprises three substantive divisions and the Division of Programme Support. The Office of the Executive Director provides strategic leadership for the development and management of the Centre. It coordinates the corporate work programme by undertaking strategic planning and by carrying out the key functions of evaluation, resource mobilization, corporate communication and public information. The Office of the Executive Director represents the Centre at the executive level vis-à-vis Governments, United Nations bodies, WTO and other organizations. It chairs key committees to establish corporate development and policy direction and to determine strategic orientation. The Office of the Executive Director also assumes technical and managerial responsibility for the implementation of the World Export Development Forum (previously called the Executive Forum). This has become an ITC flagship event, involving an annual cycle of research, consultation, publication and field-level technical assistance focusing on best practices in export development as seen from a strategy perspective. It provides a framework by means of which developing countries and countries with economies in transition can take a strategic approach to enhancing their international competitiveness and to allocating their limited resources for national export development more effectively. The World Export Development Forum will thus retain its existing functions and positions and will be sustained through regular budget resources for core activities and extrabudgetary resources for implementation at the national or regional level.

13.27 The Division of Technical Cooperation Coordination coordinates field-level activities, including relations with field-based partners, and ensures that such activities are consistent with national and regional trade promotion priorities and programmes. The Division leads the Centre's needs assessment and programme design process and manages integrated national, regional and interregional projects. The Division will continue to: (a) give special attention to supporting the participation of African countries in the multilateral trading system while building their supply-side capacities; (b) place special emphasis, at the interregional level, on responding to demand from the least developed countries for technical cooperation within the recently launched Enhanced Integrated Framework for trade-related technical assistance; and (c) devote significantly greater attention to ensuring that these interregional and multi-agency initiatives are coherent with and directly support ongoing trade-related technical assistance initiatives. In addition, by building on the concrete results of the Export-led Poverty Reduction Programme, the Division will aim to raise awareness at the national policy decision-making level of the potential that trade has as an engine to reduce poverty in rural areas; concentrate on capacity-building at the enterprise and national levels in line with the South-South Trade Promotion Programme by building on the success of current partnerships; finalize new initiatives for regional trade development in three

subregions, including the Common Market for Eastern and Southern Africa, the Economic Community of West African States and the Economic Community of Central African States; and prepare a major programme aimed at strengthening the support services of trade support institutions for the Arab States and in Asia. Cooperation will focus on new sector-specific programmes aimed at creating long-term sustainability in key export sectors.

13.28 The Division of Trade Support Services aims to provide optimal functional services to small and medium-sized enterprises in order to increase their international competitiveness in close collaboration with the Division of Technical Cooperation Coordination (geographic dimension) and the Division of Product and Market Development (sectoral dimension). Four areas are specifically covered by the Division:

(a) Optimizing the business cycle, which includes the whole value chain from purchasing of inputs to the delivery of products/services, with a focus on supply and value chain management training and implementation, export packaging and marketing, as well as standards and quality management;

(b) Managing the enterprise, which addresses needs assessment, export strategy design and corporate marketing. In this area, the Division will continue to develop products and deliver programmes to build sustainable national and regional capabilities by training and certifying consultants who widely disseminate their acquired knowledge to multiple managers of small and medium-sized enterprises through the strategic approach of "One to One to Many", via well-functioning and well-managed trade support institutions. This constitutes the core of the Centre's strategic objective 2, which aims to strengthen the operations of trade support institutions by developing management skills, establishing and maintaining effective service delivery networks and providing benchmarking methodologies;

(c) Managing the business environment, which will help create a more supportive environment to boost the international trade activities of small businesses through support and interventions in the areas of access to finance, strengthening trade support institutions, the design and implementation of sector strategies, including the business dimension in WTO negotiations, and promoting legal aspects of foreign trade;

(d) Using information and communications technology for business development, which will focus on activities relating to the transfer of knowledge in the areas of mobile business applications (m-business) and e-payment solutions, networking through e-marketplaces and providing support to Governments in designing and integrating e-components into country export strategies.

13.29 The Division of Product and Market Development will maintain its emphasis on assisting the business sector in developing countries and countries with economies in transition to respond competitively to evolving market trends, opportunities and business practices through its four technical programmes, namely:

(a) Strategic and operational market research, which will follow a four-pronged approach of making international trade more transparent, developing and providing decision support tools, preparing in-depth studies on specific trade-related issues and building capacity for strategic and operational market research;

(b) Trade information management, which will focus on two interrelated strategic objectives: the strengthening of the information service capacity of trade support institutions, including sector and theme-specific organizations through advisory and training services and the development of national and regional information networks that link sectoral and thematic organizations with more broadly based national trade promotion organizations;

(c) Sector-specific product and market development, which will aim to assist enterprises in acquiring a better understanding of international market trends and requirements in order for them to enhance their marketing capabilities and export more successfully;

(d) Trade in services, where assistance will be aimed at Governments, trade and industry associations and potential exporters of services. The scope will usually be business-to-business services. The focus will be on addressing horizontal challenges facing exporters of services.

13.30 The Division of Programme Support provides administrative, logistical and technical support to ITC in the planning and implementation of all its programme of work. It is responsible for preparing, monitoring and reporting on the regular budget to the United Nations and WTO and for monitoring compliance with the established rules and regulations in the implementation of activities financed by the regular budget and extrabudgetary resources. It represents the Centre at inter-agency coordination meetings and activities in the context of administrative, legal, technological and security activities and is responsible for liaison with the oversight bodies and for planning and coordinating the implementation of their recommendations. Its activities aim at contributing to the attainment of the mandate and efforts of the Centre as a whole to increase the volume and effectiveness of technical assistance.

Table 13.4 **Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures**

Objective: To foster sustainable human development and contribute to achieving the Millennium Development Goals in the developing countries and countries with economies in transition through trade and international business development.

Expected accomplishments	Indicators of achievement
(a) Support policymakers in integrating the business sector into the global economy	(a) (i) Increased number of trade development strategies developed and implemented, including the number of cases in which trade is integrated into national development strategies as a result of ITC support in enabling decision makers to develop effective trade development programmes and policies *Performance measures*: Estimate 2006-2007: 110 trade development strategies Target 2008-2009: 150 trade development strategies (ii) Increased number of country networks having generated multilateral trading system-related activities through the support of ITC in enabling decision makers to understand business needs and create an environment conducive to business

	Performance measures: Estimate 2006-2007: 250 country networks Target 2008-2009: 320 country networks (iii) Increased number of cases in which country negotiating positions have been enriched through analytical input and business sector participation, with the support of ITC, in enabling decision makers to integrate business dimensions into trade negotiations *Performance measures*: Estimated 2006-2007: 21 per biennium Target 2008-2009: 35 per biennium
(b) Develop the capacity of trade support institutions to support businesses	(b) (i) Increased number of trade support institutions that improve their ranking on the ITC benchmarking scheme for trade support institutions through ITC support *Performance measures*: Estimate 2006-2007: 0 Target 2008-2009: 40 trade support institutions (ii) Increased number of policy proposals presented by technical support institutions to the competent authorities with ITC support *Performance measures*: Estimate 2006-2007: 20 policy proposals Target 2008-2009: 30 policy proposals
(c) Strengthen the international competitiveness of enterprises	(c) (i) Increased number of enterprises enabled to formulate sound international business strategies through ITC training on export management issues, delivered directly or indirectly *Performance measures*: Estimate 2006-2007: 250 enterprises per biennium Target 2008-2009: 500 enterprises per biennium

	(ii) Increased number of enterprises enabled to become export ready through related ITC training activities, delivered directly or indirectly *Performance measures*: Estimate 2006-2007: 200 enterprises per biennium Target 2008-2009: 250 enterprises per biennium
	(iii) Increased number of enterprises having met potential buyers and, as a result, having transacted business through ITC support *Performance measures*: Estimate 2006-2007: 100 enterprises per biennium Target 2008-2009: 340 enterprises per biennium

External factors

13.31 The subprogramme is expected to achieve its objectives and expected accomplishments on the assumption that: (a) the international community and other stakeholders will remain fully engaged; (b) there are no significant shortfalls in actual receipt of extrabudgetary funding; (c) the political capacity and geographical conditions in recipient countries remain stable for the implementation of programme activities; (d) the mandates of the United Nations and other international organizations which impact the ITC remain the same; and (e) the enabling environment in recipient countries exists in the form of fiscal and monetary policies and other measures, including physical infrastructure.

Outputs

13.32 During the biennium 2008-2009, the following outputs will be delivered:

(a) Servicing of intergovernmental and expert bodies (regular budget and extrabudgetary):

(i) Substantive servicing: formal and informal annual meetings of the Joint Advisory Group (4); meetings of the Consultative Committee of the Global Trust Fund (6); meetings of the Steering Group of the Common Trust Fund Committee (4);

(ii) Parliamentary documentation: annual report on the activities of the International Trade Centre UNCTAD/WTO and annexes (8); reports of the Joint Advisory Group (2);

(b) Other substantive activities (regular budget and extrabudgetary):

(i) Recurrent publications: *International Trade Forum* magazine (32); directories and bibliographies (5); electronic market analysis tools (13); market briefs (22); newsletters and bulletins (106); other (20);

(ii) Non-recurrent publications: trade promotion handbooks (14); market surveys and commodity handbooks (3); enterprise management development tools (26); web/CD-ROM-based training programmes (4); other (5);

(iii) An enquiry reply service will also be regularly available to the ITC network of trade support institutions, handling approximately 500 substantive enquiries;

(c) Technical cooperation:

(i) Advisory services (regular budget and extrabudgetary): approximately 2,400 short-term missions will be organized in response to requests from Governments and institutions at the national, subregional and regional levels to assess, design, formulate and implement specific technical cooperation projects or components of programmes. Specific technical areas covered by the advisory services will include assessment of users' needs and capacity gaps; sectoral export potential assessments; development of national and sectoral export strategies; setting up, promoting and managing trade information services and networks and measuring the relevant performance; market analysis; and capacity-building of the national trade support network, including product-based and service associations, business implications of the multilateral trading system; capacity development and service enhancement in the areas of management competency; e-competency, trade finance, trade law, quality management and standards and export packaging; institutional development and training of trainers in the areas of export, purchasing and supply management; electronic commerce and computer-based supply chain management systems; and reform and improvement of public procurement;

(ii) Group training (extrabudgetary): approximately 600 training and awareness-building events (23,000 participants) on selected topics;

(iii) Field projects (extrabudgetary): 126 (80 national, 26 regional and 20 interregional projects).

Table 13.5 **Resource requirements (full budget)**

	Resources (thousands of Swiss francs)		*Posts*	
Category	*2006-2007*	*2008-2009 (before recosting)*	*2006-2007*	*2008-2009*
Regular budget				
Post	52 266.7	52 578.2	156	157
Non-post	16 102.7	16 102.7	—	—
Subtotal	**68 369.4**	**68 680.9**	**156**	**157**
Extrabudgetary	80 418.2	96 000.0	20	20
Total	**148 787.6**	**164 680.9**	**176**	**177**

13.33 The proposed amount of SwF 52,578,200 (before recosting) for posts relates to the funding of 84 Professional and higher-level posts and 73 General Service posts. The increase of SwF 311,500 is the result of the delayed impact of SwF 152,200 of the 3 Professional posts (1 P-5, 1 P-4 and 1 P-3) approved for the biennium 2006-2007, and a net increase of SwF 159,300 for four new Professional posts (1 P-4 and 3 P-2), the redeployment and reclassification of one P-2 post to the P-4 level and the abolition of three General Service posts. The increase in post resources is due to: (a) the establishment of a P-4 post of Senior Results-Based Management and Evaluation Officer in

the Office of the Executive Director to ensure the capacity to develop indicators to monitor results and the achievement of objectives and to establish a mechanism for measuring results at the end-user level in beneficiary countries; (b) the reclassification of one P-2 post to the P-4 level of Web Editor in order to strengthen the Centre's communications function; (c) the creation of a P-2 post of Information Systems Developer in the Division of Product and Market Development to ensure that the trade information section has staff with the resources and skills to develop and maintain new web-based information management tools; (d) the creation of a P-2 post of Trade Information Officer in the Division of Product and Market Development to support the Centre's trade information research programme and content development and to reinforce the section's capacity to maintain an enquiry reply service and provide responses to trade-related enquiries from trade support institutions in developing countries; (e) the creation of a P-2 post of Human Resources Officer in the Division of Programme Support to respond to the need to develop new policies and strategies, counsel staff and provide coaching to staff and managers for improved productivity and performance within the results-based management context; (f) the abolition of two General Service posts (1 Library Assistant and 1 Research Assistant in the trade information section) as the posts are no longer required mainly because the tasks previously performed by the incumbent of those posts have changed in nature due to the increased use of digital information sources and the reassignment of the remaining functions of the posts to other staff; and (g) the abolition of one General Service post in the Human Resources Section due mainly to the reduction in the time required to complete routine administrative processes since the introduction of the online recruitment system and the new automated human resources database, administrative processes and through the use of technology and reassignment of tasks to cover the existing functions of the post.

13.34 The estimated amount of SwF 16,102,700 (before recosting) proposed in non-post resources comprises requirements, inter alia, for temporary assistance, consultants, official travel, contractual services, general operating expenses and grants and contributions to United Nations joint activities and common services.

13.35 The extrabudgetary resources for the biennium 2008-2009 are estimated at SwF 96,000,000. This estimate is based on the fact that financial resources for trade-related technical assistance have increased exponentially, and the ITC has been identified as an important recipient of trade-related technical assistance by donors. ITC is also currently negotiating with donors for the funding of large-scale integrated programmes, particularly in Africa, with a high degree of probability that the funds will be made available. It is therefore expected that the Centre will receive a larger volume of extrabudgetary funds in 2008-2009.

Table 13.6 **Summary of follow-up action taken to implement relevant recommendations of the internal and external oversight bodies and the Advisory Committee on Administrative and Budgetary Questions**

Brief description of the recommendation	*Action taken to implement the recommendation*
Advisory Committee on Administrative and Budgetary Questions (A/60/7/Add.16)	
Information on further efforts and progress achieved in harmonizing should therefore be reported in the context of the next budget submission, along with an evaluation of how the new procedures are working and have simplified and streamlined the budget presentation procedures (para. 12).	The new procedures introduced for the 2006-2007 budget period have reduced the amount of work and duplication during the budget presentation process. Opportunities for further harmonization will be examined during the 2008-2009 biennium within the context of the ITC change management process.

Brief description of the recommendation	*Action taken to implement the recommendation*
Board of Auditors (A/61/5, vol. III, chap. II)	
The Board recommended that ITC review the level of the operating reserve maintained under technical cooperation trust funds, with the view to meeting its actual operational needs, subject to the expected issuance by the United Nations of new instructions on the management of trust funds (para. 24).	ITC accepted this recommendation, subject to the expected submission of a report of the Secretary-General to the General Assembly on the subject. ITC subsequently decided to raise the issue of the operating reserve with its governing body prior to the issuance by the United Nations of new instructions. In February 2007, ITC contacted its donors to seek their agreement to incrementally increase the level of the operating reserve by using the interest earned, by exchange gains or through lump-sum contributions. Some of the donors who replied to the proposals did not object. In addition, the issue was discussed at the Consultative Committee on the Global Trust Fund, which is comprised of donors and beneficiaries, and there was general endorsement.
The Board recommended that the United Nations Secretariat promptly issue revised instructions on the management of trust funds (para. 25).	Revised guidelines are under consideration by the United Nations in the context of the ongoing trust fund review. Subsequent to the outcome of the review, revised procedures are expected to be issued by the United Nations by June 2008.
The Board recommended that ITC continue its efforts to integrate IMDIS requirements into the concept and design of its own reporting tools, in order to streamline reporting procedures (para. 51).	The Secretary-General will submit a report on the introduction of enterprise systems to the General Assembly at its sixty-second session. ITC will work to closely align its requirements within the information and communications technology strategy. In the meantime, ITC has developed a tool to complement its projects portal, namely, the operations portal, which was expected to assist in generating automated information for the IMDIS system as well as to use the IMDIS information for the Centre's own planning and reporting. The operations portal was piloted in a few sections in 2006, and valuable feedback was received. Following the change management process, it is felt that the operations portal does not entirely meet the requirements of ITC in its future planning, monitoring and reporting needs. The preparation of the Centre's programme document calls for a more results-oriented

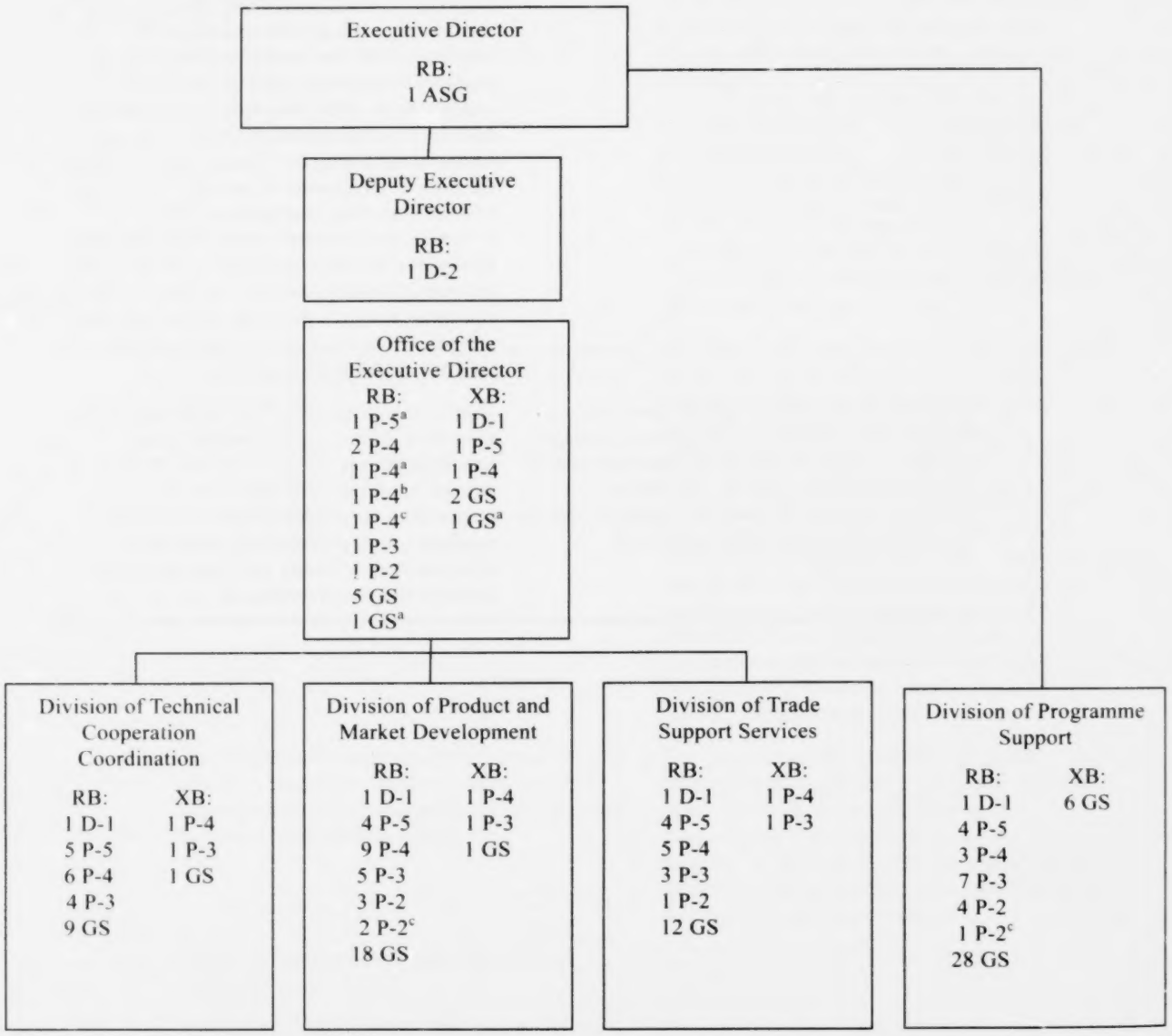
Brief description of the recommendation	*Action taken to implement the recommendation*
	approach to planning and programming. It has therefore been decided to put in place a full-fledged results-based management system that will give life to the ITC programme document and facilitate results-based monitoring and reporting. The operations portal design and concept will therefore be modified and integrated into this new system. A results-based management consultant will be hired to assist in the development of the system. The project will comprise a one-year design and development stage and a one-year implementation phase. It should be noted that the results-based management system will be in line with the principles of those of the United Nations Secretariat.
The Board recommended that ITC issue guidelines on the evaluation of project performance, including criteria for the selection of projects to be assessed in the planned annual evaluation plan (para. 57).	Work on the preparation of an evaluation policy and guidelines is ongoing, but more time will be needed in the light of the new results-based management requirements, which ITC has recognized as essential. ITC expects the policy and guidelines to be completed by mid-2008 for subsequent submission to the next meeting of the ITC Joint Advisory Group. The efforts of ITC on results-based management would synchronize with the work being done in the United Nations in response to General Assembly resolution 61/245. The criteria for the selection of projects to be included in the evaluation plan are an integral part of the Centre's evaluation policy, which is under preparation. However, the senior management of ITC has taken some key decisions on projects and programmes which need to be evaluated in the efforts of the senior management to determine comparative advantages and key lines of business. As a general rule, ITC undertakes a midterm and a final evaluation of all its larger projects and programmes. The Centre also ensures that there are no significant areas of its work that are not evaluated every four to five years. For 2007, the criteria for selection of thematic evaluation in 2007 were based on two main elements: (a) seeking greater efficiencies and consolidation of ITC activities; and (b) ensuring that the Centre's programmes are client-driven. In addition, ITC has selected a

Brief description of the recommendation	*Action taken to implement the recommendation*
	number of other projects/programmes for evaluation either because they are statutory requirements by donors (evaluation is built into the project document) or because ITC intends to closely review their performance with a view to undertaking mid-course corrections, if necessary. It should also be noted that evaluation policy, guidelines and criteria for the selection of projects are a part of the function of the results-based management. ITC is in the process of recruiting results-based management consultants to put in place a system which will include those issues that are related to evaluation.
The Board recommends that training sessions on fraud-related issues be organized by ITC for its staff (para. 69).	ITC has issued a note explaining the policy and action plan that it developed in the field of internal corruption and fraud. As a further measure to mitigate the risk of internal corruption, ITC cooperates fully with the Ethics Office, which was established by the Secretary-General (see ST/SGB/2005/22) and was announced to ITC staff by information circular ITC/IC/2006/1. The Centre is also in full compliance with the financial disclosure programme, which is administered by the Ethics Office. An information session on ITC fraud and corruption prevention policy was held, and ITC intends to benefit from United Nations training on the prevention of fraud.
The Board recommends that the United Nations Office at Geneva and other Geneva-based organizations consider organizing joint training sessions on fraud issues (para. 71).	The United Nations fraud and corruption prevention plan and policy are in the process of being finalized. Once they have been promulgated, ITC will work in active cooperation with the United Nations Office at Geneva to disseminate the policy and organize the required training sessions.
Office of Internal Oversight Services (A/59/229)	
Management should make the best use of the comparative advantages of the Projects portal and IMDIS and construct appropriate linkages between them in order to further advance the implementation of result-based management (para. 53).	The development of a client relationship management system is an absolute priority in this regard. Since indicators of performance in the ITC budget proposal are client-related, data will have to be gathered through this new system. ITC planned to undertake a feasibility

Brief description of the recommendation	*Action taken to implement the recommendation*
	study for a new client relationship management during 2007. The installation, customization and migration of the data of the existing corporate contacts system into the new client relationship management as well as the rewriting of all the Intranet and Internet queries and reporting facilities will be undertaken in 2008. Meanwhile, information relevant to the purposes of IMDIS is being collected according to a format that will enable the smooth integration of data into the future client relationship management system. ITC will work and cooperate with United Nations-wide plans to ensure that these systems would be complementary and fully integrated with the enterprise resource planning system and other projects that are currently being undertaken by the United Nations Secretariat.
To streamline the recruitment process and delegate more authority to programme managers, the Review Panel should be discontinued and its functions distributed among the Human Resources Section, programme managers and the existing appointment bodies (para. 61).	Draft policy documents were approved by the Executive Director and endorsed by the Executive Heads of UNCTAD and WTO. Related guidelines and forms are in preparation. Briefing/training sessions for managers, staff at large and members of selection review bodies are being prepared. Status: under implementation.

International Trade Centre UNCTAD/WTO

Organizational structure and post distribution for the biennium 2008-2009


Executive Director
RB:
1 ASG
Deputy Executive Director
RB:
1 D-2
Office of the Executive Director
RB: 1 P-5[a], 2 P-4, 1 P-4[a], 1 P-4[b], 1 P-4[c], 1 P-3, 1 P-2, 5 GS, 1 GS[a]
XB: 1 D-1, 1 P-5, 1 P-4, 2 GS, 1 GS[a]
Division of Technical Cooperation Coordination
RB: 1 D-1, 5 P-5, 6 P-4, 4 P-3, 9 GS
XB: 1 P-4, 1 P-3, 1 GS
Division of Product and Market Development
RB: 1 D-1, 4 P-5, 9 P-4, 5 P-3, 3 P-2, 2 P-2[c], 18 GS
XB: 1 P-4, 1 P-3, 1 GS
Division of Trade Support Services
RB: 1 D-1, 4 P-5, 5 P-4, 3 P-3, 1 P-2, 12 GS
XB: 1 P-4, 1 P-3
Division of Programme Support
RB: 1 D-1, 4 P-5, 3 P-4, 7 P-3, 4 P-2, 1 P-2[c], 28 GS
XB: 6 GS

Abbreviations: RB, regular budget; XB, extrabudgetary; ASG, Assistant Secretary-General; GS, General Service.

[a] World Export Development Forum posts (RB: 1 P-5, 1 P-4, 1 GS and XB: 1 GS).

[b] One P-2 redeployed and reclassified to P-4 from the Division of Programme Support.

[c] New post.

Annex

Outputs produced in 2006-2007 not to be carried out in the biennium 2008-2009

A/60/6 (Sect. 13)/Add.1, paragraph	*Output*	*Quantity*	*Reason for discontinuation*
13.27 (b) (i)	Trade Finance Press Abstracts	8	Will be discontinued in 2008-2009 due to reorganization (new advisor has not yet been appointed)
13.27 (b) (i)	Servicexport E-Newsletter	8	The newsletter will no longer be produced under this name. The Trade in Services Section is considering the reformulation of such a newsletter, which will be issued on a monthly basis and will be more Internet friendly
13.27 (b) (i)	Business and the WTO negotiations on Trade Facilitation	1	Title deleted: no progress on the WTO negotiations
13.27 (b) (i)	Market News Service — Flowers (series)	1	Regional monthly analysis reports on the cut flowers and plants market discontinued. Donor interest concentrated on the European Market only: one weekly and one monthly price report have been retained and reinforced as requested by donor
13.27 (b) (ii)	Operations and Management of a Matching Grant Scheme	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Export Strategy and Clusters — Cases and Lessons Learned	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Emerging Garment Markets in the South — Market Opportunities for the least developed countries	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Developing Countries Services Trade Interests (new title will be All About Promoting Trade in Service and published in 2007)	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Challenges and opportunities in ICT Enabled Trade in six African Countries	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Mobile-business potential assessment in sub-Saharan Africa: the case of Burkina Faso (English and French)	2	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Training module on Finance	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Management of the Supply Chain for small and medium-sized enterprises (in French to be translated into English)	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Lasting impact: success stories in building competitive enterprises	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Food safety management systems — fitness checker	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Strategy for Export Packaging	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Cotton Exporter's Guide	1	To be completed as programmed in 2006-2007

13.27 (b) (ii)	Assessment of the Economic Impact of Restricting Airfreight Imports of Organic Fruits and Vegetables to the EU	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Discover sector diagnosis tool (training manual and CD-ROM)	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Compete cluster strategies tool (training manual and CD-ROM)	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Draft Strategic Framework (2008-2009)	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	ITC Programme Document (2007-2009)	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	ITC Programme Evaluations (2006) — a synthesis	1	To be completed as programmed in 2006-2007
13.27 (b) (ii)	Training Pack — Five Supplementary Training materials to the Modular Learning System in Spanish	5	To be completed as programmed in 2006-2007
	Total	**42**	